## REMARKS/ARGUMENTS

The Examiner rejects Claims 1-11 and 35-46 under 35 U.S.C.§112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim subject matter which applicant regards as the invention.

Applicant has amended claims 1 and 9 to overcome the rejections.

The Examiner rejects Claims 10-11 and 33-34 under 35 U.S.C.§101 as being directed to non-statutory subject matter. Applicant has amended the claims to overcome the rejections.

The Examiner objects to Claims 4,8-9, 30, 35, 37, 43, and 44 on various grounds. The claims have either been amended to overcome the objections or canceled.

The Examiner rejects Claims 1-46 under 35 U.S.C.§102(e) as being anticipated by Wall (U.S. 2002/0017977).

Applicant respectfully traverses the Examiner's rejections. Wall fails to teach or suggest at least the following features of the pending independent claims:

- 1. A method for determining whether an intended use of a computational component is permitted, comprising:
- (a) determining a geographic location of a key device in communication with and physically separate from the computational component, the key device containing a location module for determining wirelessly geographic location relative to a selected coordinate system;
- (b) comparing the determined geographic location with at least one predetermined permitted geographic location permitted by a license; and
- (c) when the determined geographic location is not a permitted geographic location under the license, determining that use of the computational component is not permitted.

- 12. A system for validating a license to use a computational component, comprising:
- a locating module to determine, wirelessly, a geographic location relative to a selected coordinate system of a key device containing the module, the key device being physically separate from and in communication with the computational component; and
- a validation agent operable to (a) compare the determined geographic location with at least one predetermined permitted geographic location permitted by the license and (b) when the determined geographic location is not a permitted geographic location under the license, determine that the computational component is not validly licensed.
- 23. A method for validating a license to use a computational component, comprising:
- (a) providing a key device to validate the license when in communication with the computational component, the key device being physically separate from and connected to the computational component;
- (b) a licensing validation agent in the computational component determining whether the key device is local to the computational component; and
- (c) when the key device is not local to the computational component, the licensing validation agent in the computational component determining that the computational component is not validly licensed.

In a preferred configuration, the licensed application makes periodic queries to an external dongle to validate the license. In response to a query, the dongle translates the location determined by a GPS receiver into a region code and returns the region code to the licensed application along with the serial number. In this configuration, the license file would specify the region code(s) in which the software is licensed to operate based on what the customer ordered. If the region code returned to the application were not an allowed region code as defined in the license file, the software would not function. The dongle query from the licensed application can include the region code from the license. The dongle would then only return a serial number response if the dongle-determined position matched the region code in the query.

In one claimed configuration, the validation agent determines if the dongle is "local" to the computational component. As will appreciated, a dishonest user can set up a computational system such that the computational component is running in a different region or country than the region or country where the dongle is located. Although having a dongle in one region to activate hardware/software in another distant region is a great inconvenience, such license abuse is not inconceivable if the cost savings to the user are large. To address this concern, the dongle is preferably configured to prohibit operation over a large network. For example, it can be configured to operate only as a local device without network capabilities.

## Wall

Wall is directed generally to controlling the use of software and hardware and access to and usability of commodities by using the position (or location) dependent signals emanating from GPS, DPGS, GLONASS, and other sources, in conjunction with time and ephemeris data. Receipt of position (or location) data is verified by reference to independent time and satellite ephemeris data and where, when position (or location) is established within preloaded boundaries, the system is rendered useful. A module which includes software and/or hardware modules (implemented as chip sets in combination with mechanical actuators), and a position (or location) determining system such as a global positioning receiver, built into each device and/or shipping container used to transport devices and/or commodities for control. Wall discloses the use of a unique identifier, such as serial number, along with location information in license enforcement. Wall discloses the entry of permissible position data into the module and the use of a clock deriving time from GPS to point to the appropriate data for the time and geographic area

receiving satellite data and for determining the expiration of the license term. The module may be put into various form factors, "such as a computer card or printed circuit addition to a video or CD player". (¶0083.)

Wall fails to teach or suggest the use of an external dongle containing a location (e.g., GPS) module in license verification (claims 1, 12, and 23) and the determination whether the dongle is "local" to the licensed computational component to prevent remote use of the dongle within the permitted geographic parameters (as part of a distributed processing network) to license a component located outside the permitted geographic parameters (claim 23).

The dependent claims provide further reasons for allowance.

By way of nonlimiting example, dependent Claims 7, 18, and 29 require a licensing validation agent in the computational component to determine whether the key device is in communication with the computational component; when the key device is not in communication with the computational component, to determine that the computational component is not validly licensed; and, when the key device is in communication with the computational component, to determine that the computational component is validly licensed.

Dependent Claims 8, 19, and 30 require a permitted use to be defined by a license and the further steps of the licensing validation agent in the computational component authenticating the key device; and when the key device is not authenticated successfully, the licensing validation agent in the computational component determining that the computational component is not validly licensed. Wall fails to teach authentication of an external locating device, such as a dongle, using a unique identifier.

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Based upon the foregoing, Applicants believe that all pending claims are in condition for allowance and such disposition is respectfully requested. In the event that a telephone conversation would further prosecution and/or expedite allowance, the Examiner is invited to contact the undersigned.

Respectfully submitted,

SHERIDAN ROSS P.C.

Bv

Douglas W. Swartz

Registration No. 37,739

1560 Broadway, Suite 1200

Denver, Colorado 80202-5141

(303) 863-9700